

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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November 1, 2004

Robert N. Werlin, Esq.
John K. Habib, Esq.
Keegan, Werlin & Pabian LLP
265 Franklin Street
Boston, MA 02110
FOR: Boston Edison Company and Commonwealth Electric Company

RE: Department's First Set of Information Requests to Boston Edison Company and
Commonwealth Electric Company
NSTAR/NEA PPA Restructuring Agreements - D.T.E. 04-85

Dear Messrs. Werlin and Habib:

Enclosed please find the Department of Telecommunications and Energy's First Set of Information Requests to Boston Edison Company and Commonwealth Electric Company in the above-referenced proceeding. Please provide the requested answers by November 8, 2004. If you have any questions on this request, please contact me at (617) 305-3613.

Sincerely,

/s/

Joan Foster Evans
Hearing Officer

cc. Mary L. Cottrell, Secretary
Service List
Staff as assigned

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**FIRST SET OF INFORMATION REQUESTS
D.T.E. 04-85**

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Boston Edison Company and Commonwealth Electric Company ("Companies") the following Information Requests.

I. Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Companies in this proceeding.

1. Each request should be answered in writing on a separate three-hole punched page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Please do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Companies or their witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting workpapers.
5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If the Companies find that any one of these requests is ambiguous, please notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. If a question refers to an Information Request of another party, please provide that response and answer with information that supplements the previous response.

8. Please serve a copy of the responses on Mary L. Cottrell, Secretary of the Department; also submit two (2) copies of the responses to Joan Foster Evans, Hearing Officer, and one copy each to Sean Hanley, Miguel Maravi, and Xuan Yu of the Rates and Revenue Requirements Division, and Robert Harrold, Boris Shapiro, and Marilyn Ross of the Electric Power Division.

II. Information Requests

- IR-DTE-1-1 Refer to Exh. NSTAR-GOL at 15. Please provide any specific exhibit or excel table that gives a detail explanation of the calculation of the energy and capacity revenues received by the Companies following the equation stated in Exh. NSTAR-GOL at 15.
- IR-DTE-1-2 Refer to Exh. NSTAR-GOL at 22. Please explain why the Companies use the discount rate of 8.1 percent in this exhibit, 6.61 percent on Exh. NSTAR-BECO-GOL-2, and 8.2 percent on Exh. NSTAR-COM-GOL-2. What is the basis for using these three different discount rates?
- IR-DTE-1-3 Refer to Exh. NSTAR-GOL at 22. Please explain why the Companies used December 2, 2003, as the closing date for calculating the total energy cost.
- IR-DTE-1-4 Refer to Exh. NSTAR-GOL at 26. Please provide a detailed excel sheet that highlights and explains the changes to Exh. NSTAR-BECO-GOL-3 and Exh. NSTAR-COM-GOL-3 from the previous filings in D.T.E. 04-60, D.T.E. 04-61, D.T.E. 04-68 and D.T.E. 04-78. Explain whether these corrections have any impact on the savings calculated in the above listed dockets.
- IR-DTE-1-5 Refer to Exh. NSTAR-RBH-5 Note 3 and 4. Please explain the effect on this exhibit and the bid prices by changing the closing date to a date that is later than the initial date of April 2004.
- IR-DTE-1-6 Please provide electronic copies of Exhs. NSTAR-BEC-GOL-2, NSTAR-BEC-GOL-3, and NSTAR-BEC-GOL-4 in Excel format with the formulas contained in the cells. Provide electronic copies of Exhs. NSTAR-COM-GOL-2, NSTAR-COM-GOL-3, and NSTAR-COM-GOL-4 in Excel format with the formulas contained in the cells. Please provide electronic copies of any supporting workpapers and data for the above exhibits in Excel format with the formulas contained in the cells.
- IR-DTE-1-7 Have any disputes emerged regarding the choice of the 04-85 NEA contract auction winner?
- IR-DTE-1-8 Refer to Exh. NSTAR-RBH at 18, lines 14-16. Please explain how NEA was involved in the auction process. Provide copies of all communication between CEA, NSTAR and NEA relating to the auction and the termination of the NEA contracts.

- IR-DTE-1-9 Refer to Exh. NSTAR-RBH at 18-19, lines 21-1, respectively. Please provide the analysis in which “CEA separately valued each PPA Entitlement to determine the total cost for the energy and capacity over the term of the agreement” in both hard copy and in a working, electronic Excel file.
- IR-DTE-1-10 Refer to Exh. NSTAR-RBH at 22. Please provide in Excel format the “assessment (in which) the portfolio bidders were asked to disaggregate their bids into the several components that would allow for a side-by-side comparison of bids for individual contracts and the portfolio taken as a whole” with which “CEA and the Company determined that the NEA bid was the lowest viable bid.”
- IR-DTE-1-11 Refer to Exh. NSTAR-RBH at 22-23, lines 20 - 1, respectively. Please explain in detail why Bidder A was not able to provide “a final binding proposal.”
- IR-DTE-1-12 Refer to Exh. NSTAR-RBH at 16-17, lines 19-9, respectively, which refers to two pricing options included in the PPA Entitlement Bid Form. Please confirm which pricing option NSTAR used in its D.T.E. 04-85 calculations, and explain why the Companies chose that particular pricing option. Provide prices bid by Bidder B, C, and D under both options.
- IR-DTE-1-13 Refer to Exh. NSTAR-RBH at 27, lines 17-20. What would be the savings of the restructuring for Commonwealth customers if the NEA position of escalating the last two years of the NEA-2 contract (2015-16) at the same rate as the prior years prevailed?
- IR-DTE-1-14 Refer to Exh. NSTAR-RBH at 28, lines 18-20. Please provide the “series of analysis under different power and fuel price scenarios” that CEA performed, which shows that “the proposed transaction continued to result in a reduction in the above-market costs of these contracts.”
- IR-DTE-1-15 On what date did each of the bidders make their initial bid for the contracts? On what date did each of the bidders make their final bid for the contracts?
- IR-DTE-1-16 Refer to Exh. NSTAR-RBH-5. Please provide a working electronic copy in Excel format with the formulas contained in the cells as well as all supporting documentation.
- IR-DTE-1-17 Refer to Exh. NSTAR-RBH-6, pages 1-7. Please provide a working electronic copy in Excel format with the formulas contained in the cells as well as all supporting documentation.